

Staff Summary Report

REVISED



Council Meeting Date: 9-18-08

Agenda Item Number: 26

SUBJECT: *This is a public hearing to receive comments on the proposed Enterprise Zone applications* and request approval of a resolution authorizing the Economic Development Division to submit one or more applications to the Arizona Department of Commerce seeking an expansion of the Tempe Enterprise Zone and reauthorization of the current Tempe Enterprise Zone.

DOCUMENT NAME: 20080918cdmm01 **ENTERPRISE ZONE (0111-03-01)** RESOLUTION NO. 2008.86

SUPPORTING DOCS: Yes

COMMENTS: N/A

PREPARED BY: Micah Miranda, Economic Development Specialist, Ext. 2218

REVIEWED BY: Chris Salomone, Community Development Manager, Ext. 8294

LEGAL REVIEW BY: N/A

FISCAL NOTE: Operation, maintenance and ongoing expenses related to the Enterprise Zone program are currently in the Economic Development budget.

RECOMMENDATION: N/A

ADDITIONAL INFO: The Tempe Enterprise Zone, established in 1991 and reauthorized every five years since is scheduled to terminate December 31, 2008 unless renewed. The Arizona Department of Commerce which administers the program has ruled that jurisdictions are permitted to submit two renewal applications concurrently: one application for zone renewal and one application for zone renewal with boundary modifications. An area contiguous to the current zone has been identified which will allow for the reauthorization and expansion of the Tempe Enterprise Zone. In the event that the expansion of the zone is not authorized by the Arizona Department of Commerce, the existing boundaries of the Tempe Enterprise Zone will remain.

The primary goal of the Tempe Enterprise Zone program is to improve economically depressed sections of the city by encouraging new private sector capital investment and employment opportunities. This goal is achieved through state income tax credits and property tax reclassification for businesses which make qualified employment hirings and investments in the zone.

The Tempe Enterprise Zone satisfies all the requirements needed for designation by means of size, population and poverty rate.

RESOLUTION NO. 2008.86

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, REAUTHORIZING THE CITY OF TEMPE ENTERPRISE ZONE, PROPOSING AN EXPANSION OF THE BOUNDARIES OF THE ZONE, AND AUTHORIZING THE ECONOMIC DEVELOPMENT DEPARTMENT TO SEEK APPROVAL FROM THE ARIZONA DEPARTMENT OF COMMERCE

WHEREAS, pursuant to Article 5, Chapter 10 of Title 41 of the Arizona Revised Statutes, as amended (the "Act"), the City of Tempe established an Enterprise Zone; and

WHEREAS, the City of Tempe Enterprise Zone was approved by the Arizona Department of Commerce, in its capacity as the enterprise zone program administrator; and

WHEREAS, the City now desires to expand the boundaries of the City of Tempe Enterprise Zone to include census tracts 3184, 3186, 3187, 3188, 3189, 3190, 3191.01, 3191.02, 3192, 3193, 3197.02, 3197.03, 3197.04, 3196, 3198, 3200.07, 3199.02 (exclusive of all Maricopa County Islands), as more particularly identified on Exhibit A hereto (the "Expansion Area"), and to renew the City of Tempe Enterprise Zone for an additional five-year term as permitted in the Act; and

WHEREAS, the City has determined that the Expansion Area satisfies the qualifying criteria established in the Act and also offers excellent transportation access, vacant developable land, appropriate zoning for commercial/industrial development, linkages with existing City redevelopment areas, and an adequate population base for businesses to attract zone residents as employees; and

WHEREAS, the City has identified the kinds of local development assistance that it would make available to zone businesses and projects that satisfy criteria established by the City and are consistent with the City's overall economic development goals; and

WHEREAS, the City is strongly committed to economic development activities that create jobs and encourage the creation of employment opportunities for unemployed/underemployed individuals.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPE, as follows:

SECTION 1. That the Economic Development Department is hereby authorized and directed to prepare and submit to the Arizona Department of Commerce, one or more applications on behalf of the City requesting (a) approval of the expansion of the City of Tempe Enterprise Zone to include the Expansion Area, as depicted on Exhibit A attached hereto, and (b) renewal of the City of Tempe Enterprise Zone for an additional five-year term, such renewal to

include those census tracts (3184, 3186, 3187, 3188, 3189, 3190, 3191.01, 3191.02, 3192, 3193, 3197.02, 3197.03, 3197.04) already within the Zone, and the Expansion Area, if approved. The applications shall include such supporting and other information as may be appropriate, including without limitation, narrative descriptions, statements of goals and strategies, and a management plan.

SECTION 2. That the Tempe City Council shall continue to serve as the City of Tempe Enterprise Zone Commission for all purposes under the Act or otherwise.

SECTION 3. That the City Council hereby finds and determines that the City of Tempe Enterprise Zone, including the Expansion Area, satisfies all criteria set forth in the Act and otherwise established by the Arizona Department of Commerce, including without limitation, those relating to size, population, and poverty requirements.

SECTION 4. That the City's Economic Development Director, or designee, shall continue to be designated as zone administrator.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this ____ day of _____, 2008.

MAYOR

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

City of Tempe

